



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 5, 2001

### **H.R. 1929** **Native American Veterans Home Loan Act of 2001**

*As introduced on May 21, 2001*

CBO estimates that implementing H.R. 1929 would increase spending subject to appropriation by roughly \$500,000 in 2002 and \$2 million over the 2002-2006 period, assuming appropriation of the necessary amounts. The bill also would raise direct spending by less than \$500,000 annually through 2006; therefore, pay-as-you-go procedures would apply. H.R. 1929 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on the budgets of state, local, or tribal governments.

H.R. 1929 would extend the Native American Veteran Housing Loan Pilot Program through December 31, 2005. Under the program, the Department of Veterans Affairs (VA) makes direct loans to veterans living on trust lands for the purchase, construction, or improvement of a home. In 1993, Public Law 102-389 provided appropriations of \$4.5 million for the subsidy cost of these loans. Since the program's inception, VA has made about 200 loans at a subsidy cost of \$2 million.

CBO estimates that under the bill, VA would subsidize about 30 loans a year at an annual cost of about \$250,000. Because the bill would affect outlays from funds already appropriated and would not depend on future appropriation action, these additional outlays are considered direct spending for scorekeeping purposes. In addition, CBO estimates that VA's administrative expenses, a discretionary cost, would be roughly \$500,000 each year.

The CBO staff contact for this estimate is Sunita D'Monte. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.